

February 7, 2019

To: Market Surveillance Administrator, Market Participants and Other Interested Parties

Re: **Letter of Notice for Draft of Proposed Amended Section 103.2 of the ISO Rules, *Dispute Resolution* (“Section 103.2”)**

Pursuant to Section 4 and Section 6.3 of Alberta Utilities Commission Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*, the Alberta Electric System Operator (“AESO”) is providing notice and seeking feedback from the Market Surveillance Administrator, market participants, and other interested parties (“stakeholders”) on the proposed amended Section 103.2.

### Applicability

Section 103.2 is currently applicable to:

- “(a) a **market participant**, except where the **market participant** is the **legal owner** of a **transmission facility** where the **person** who is eligible to apply for the construction and operation of the **transmission facility** was determined by a competitive process developed by the **ISO** in accordance with the **Act**; and
- (b) the **ISO**.”

### Issue

The AESO has determined that both Section 103.2 and the renewable electricity support agreements in connection with rounds 1, 2 or 3 of the Renewable Electricity Program address the same subject matter but in different ways. The AESO proposes to amend Section 103.2 to eliminate such overlap.

### Background

During the development of the ISO rules for the capacity market, the AESO identified amendments to existing energy and ancillary services markets ISO rules that are essential to establish and operate the capacity market and designated them as the Category 1 Rules. Certain amendments to existing Section 103.2 were included in the Category 1 Rules amendments. The AESO also identified a number of amendments to existing energy and ancillary services markets ISO rules that, although not essential to establish and operate the capacity market, are required and are a priority. The AESO categorized these as Category 2 Rules and posted a Letter of Notice on November 20, 2018 regarding those proposed amendments.

Subsequent to the posting of the Letter of Notice for Category 2 Rules, the AESO identified that Section 103.2 required additional amendments to address the issue outlined above and that such amendments would fit with the Category 2 Rules.

### Objectives/Purpose

The AESO is proposing to amend Section 103.2 in order to remove overlap between Section 103.2 and any renewable electricity support agreement in connection with rounds 1, 2 or 3 of the Renewable Electricity Program. Specifically, the AESO proposes to add the following item (ii) to subsection 1, Applicability:

Section 103.2 applies to:

- (a) a **market participant**, except where the **market participant** is:
  - (ii) the **legal owner** of a **generating unit** or an **aggregated generating unit** that is subject to a renewable electricity support agreement in connection with rounds 1, 2 or 3 of the Renewable Electricity Program in respect of a dispute that is subject to the terms of such renewable electricity support agreement;

For the purposes of regulatory efficiency, the AESO proposes to include the amended Section 103.2 in the Category 2 Rules application for approval to the Alberta Utilities Commission.

### **Proposed Consultation and Timeline**

Given the limited extent of the proposed amendment to Section 103.2, the AESO has already developed the proposed language as set out above. The AESO intends to only seek written feedback from stakeholders on these amendments pursuant to section 6.3 of AUC Rule 017 and to do so in conjunction with this letter of notice.

### **Stakeholder Comments**

Stakeholders may submit:

- (i) written comments regarding the adequacy of consultation and, if applicable, the need for additional consultation;
- (ii) a notice of intent to participate in any additional consultation, if requested;
- (iii) comments on the form of any additional consultation, if requested; and
- (iv) comments on the proposed draft amendment.

Stakeholders may submit written comments to the AESO using the *Stakeholder Comment Matrix – Draft Proposed ISO Rule*.

Stakeholders should ensure that comments provided represent all interests within their organization.

The deadline for stakeholders to provide comments is February 22, 2019, to [rules\\_comments@aeso.ca](mailto:rules_comments@aeso.ca). Adherence to deadlines is essential to the integrity of the comment process, and as such, the AESO may choose not to consider any stakeholder comments received after the deadline.

The AESO will publish all stakeholder comments, received by the deadline, and the AESO's responses on the AESO website by March 11, 2019.

If no comments are received by the AESO regarding the draft proposed amended ISO rule, the AESO will proceed to apply to the Commission for approval of the proposed amended Section 103.2 with the Category 2 Rules pursuant to AUC Rule 017, Section 7.1.

### **Related Materials**

1. [Clean copy](#) and [blackline](#) of proposed amended Section 103.2
2. [Stakeholder Comment Matrix for proposed new Section 103.2](#).

Sincerely,

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Attachments